



GARY R. HERBERT
Governor

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Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

December 10, 2014

Kirk Nicholes
Alton Coal Development, LLC
463 North 100 West, Suite 1
Cedar City, Utah 84720

Subject: Need to Revise Reclamation Agreement, Alton Coal Development LLC, Coal Hollow,
C/025/0005

Dear Mr. Nicholes:

During the review of your recent Underground Mining Expansion amendment (Task ID #4730), the Division has become aware of the need to revise Exhibit A of your reclamation agreement to include all of the area that has been disturbed and all areas that are proposed for disturbance under your current Mining and Reclamation Plan. Alton Coal Development is not authorized to mine in areas outside of the bonded area as described in Exhibit A of your current Reclamation Agreement (Phase I and Phase II area). The reclamation agreement must be revised to allow mining to occur in the remainder of your permit area (Phase III area).

In accordance with R645-301-830.440, the Division is requiring that you revise the reclamation agreement, to adequately reflect the area of disturbance covered by the reclamation bond. All areas currently disturbed and any area planned for disturbance will need to be accurately described in Exhibit A. A copy of the required exhibits (A and D) has been enclosed for your convenience. Please submit the required changes at the earliest possible date.

We also remind you of the need to apply for bond release on areas that have been backfilled and graded in order for you to receive credit for reclamation work done and to reduce your bond liability.

We look forward to receipt of an application for Phase I bond release (R645-301-880.100) on land that was bonded and has now been backfilled and graded, in accordance with R645-301-880.310.

If you have any questions, please call me at (801) 538-5320 or Daron Haddock at (801) 538-5325.

Sincerely,

Dana Dean
Associate Director, Mining

DD/DRH/sqs
Attachments
O:\025005.COL\BOND\reclagreementltr.doc

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EXHIBIT "D"

Stipulation to Revise Reclamation Agreement (Non-Federal)

Permit Number: _____

Effective Date: _____

Bond Number: _____

COAL

STIPULATION TO REVISE RECLAMATION AGREEMENT

--ooOOoo--

This **STIPULATION TO REVISE RECLAMATION AGREEMENT** entered into by and between the **PERMITTEE** and **DIVISION** incorporates the following revisions or changes to the **RECLAMATION AGREEMENT**: (Identify and Describe Revisions below)

In accordance with this **STIPULATION TO REVISE RECLAMATION AGREEMENT**, the following Exhibits have been replaced by the **PERMITTEE** and are approved by the **DIVISION**.

- ☐ Replace the Reclamation agreement in its entirety.
- ☐ Replace Exhibit "A"- permit area.
- ☐ Replace Exhibit "B"- bonding agreement
- ☐ Replace Exhibit "C"- liability insurance

The bonding amount is revised from \$ _____ to \$ _____.

The bonding type is changed from _____ to _____.

The surface disturbance is revised from _____ acres to _____ acres.

The expiration date is revised from _____ to _____.

The liability insurance carrier is changed from _____ to _____.

The amount of insurance coverage for bodily injury and property damage is changed from \$ _____ to \$ _____.

IN WITNESS WHEREOF, _____ the **PERMITTEE** has hereunto set its
signature and seal this ____ day of _____, 20____.

PERMITTEE

By: _____

Title: _____

ACCEPTED BY THE STATE OF UTAH this ____ day of _____, 20____.

Director, Division of Oil, Gas and Mining

NOTE: An **Affidavit of Qualification** must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Agreement. If the **PERMITTEE** is a corporation, the Agreement shall be executed by its duly authorized officer.

EXHIBIT “A”

Bonded Area Legal Description

(Non-Federal Coal)

Exhibit "A"
Legal Description
Non-Federal
Bond Number _____

EXHIBIT "A"

Pursuant to R645-301- 820.110, the surety bond covers an identified increment of land within the permit area upon which the operator will initiate and conduct coal mining and reclamation operations during the initial term of the permit. This area is identified as:

Map(s) showing the BONDED AREA within the approved PERMIT AREA :

Legal description of BONDED AREA:

The above described area shall be modified as necessary to correspond to an increase in the area disturbed as a result of an expansion of coal mining and reclamation operations. The described area may also be decreased as a result of partial reclamation.

IN WITNESS WHEREOF the **SURETY** has hereunto set its signature and seal this

_____ day of _____, 20____.

SURETY

By:

Title:

**AFFIDAVITS
OF
QUALIFICATION**

--ooOOoo--

(Signed)
Name - Position

_____, 20 ____.

--000000--

_____, 20____.